

## **BARROW'S INCAPACITY CLAIMANTS**

A study commissioned by Furness Enterprise to  
support the Routes to Work initiative

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## Contents

### Summary

#### 1. CONTEXT

- Purpose of the report
- Barrow's incapacity numbers
- The new Barrow survey
- Previous research in Barrow

#### 2. BARROW'S STOCK OF INCAPACITY CLAIMANTS

- Age and duration on benefits
- Qualifications
- Work experience
- Reasons for job loss
- Health issues
- Job aspirations
- Pathways to work
- Sources of income
- Household circumstances
- The stock of IB claimants: an assessment

#### 3. THE TARGET GROUP FOR ROUTES TO WORK

- Size of the group
- Personal characteristics of the target group
- Job aspirations
- Obstacles to employment
- Building on temporary or casual work
- The target group: what's likely to work?

#### 4. FURTHER ANALYSES

- The absorption capability of the Barrow economy
- The views of employers
- Lessons from elsewhere

#### 5. CONCLUSIONS AND IMPLICATIONS

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## Summary

Barrow in Furness has exceptionally large numbers of residents claiming incapacity benefits – 3,380 men and 2,270 women in November 2006, or more than 13 per cent of all adults of working age. Barrow has the ninth highest incapacity claimant rate among all districts in Britain, and the third highest in England.

This report is intended to inform and guide the Routes to Work initiative that has been established in Barrow, using funding from the government's Northern Way initiative, to pilot new methods of moving longer-term incapacity claimants back into work or training.

The core of the report comprises the results of a survey of 1000 incapacity claimants across the borough. The survey was carried out in two phases, in late 2006 and early spring 2007, and involved face-to-face interviews with a representative sample of claimants, in their own homes, using a highly structured questionnaire. For men, the report is also able to draw comparisons with the results of a smaller but similar survey carried out in 1999.

The findings point to a stock of incapacity claimants that is often extremely detached from the labour market, and to many individuals who face formidable obstacles in moving towards employment. Approaching half of all claimants have been out-of-work for more than ten years, and more than half have no formal qualifications. Ill health is widespread, though only just over a third say that they 'can't do any work'. Fewer than one-in-five say they would like a job, and less than one-in-ten are actively looking for work.

The survey also reveals that among men, for whom comparisons are possible with earlier data, the IB claimant group has become substantially more problematic since the late 1990s. This is reflected in lengthening benefit claims, a rising share with no formal qualifications, and a very sharp decline in the share of claimants who say they would like a job. What appears to be happening is that a group of often skilled and well-motivated men who were made redundant from Barrow's shipyard in the 1990s is now passing out of the figures to be replaced by men and women who find it difficult to maintain a foothold in a competitive labour market – the less skilled, less healthy and (to some extent at least) the less motivated.

Within the stock of claimants, the potential target group for Routes to Work is modest – perhaps 1,500 in total. These are the men and women who say they would like a job, or might like a job in future. They tend to be younger (typically 35-55) and have not had such long spells on benefit, though many still report considerable health problems. Many of this target group have quite specific thoughts on the help they would need to re-enter employment and the types of job they would like.

The report also reviews the 'absorption capability' of the Barrow economy and concludes that if recent job growth were to be sustained it should be possible to bring incapacity numbers down. However, the low level of wages at the bottom end of the local labour market – likely to be a disincentive to many on benefit – is an important obstacle. A number of employers were also contacted and in principle they seem open-minded about taking on former incapacity claimants, but new recruits would need to meet companies' normal criteria and, at least among the larger employers, there are doubts about the value of a wage subsidy.



## **1. CONTEXT**

### **Purpose of the report**

This report has been commissioned by Furness Enterprise to support the 'Routes to Work' initiative in Barrow in Furness. Routes to Work is one of ten pilot schemes funded by the government's Northern Way initiative to explore ways of moving Incapacity Benefit (IB) claimants back into work.

The focus of the Northern Way pilots varies. In Barrow's case, the emphasis is on the men and women who have been claiming incapacity benefits for six months or more. Most IB claimants in Barrow and elsewhere tend to be long-term claimants of this kind. The majority will also have missed out on the support to return to work provided by the national Pathways to Work initiative, which focuses mainly on new claimants.

The agreed aims of the research are to:

- Identify the characteristics, aspirations and barriers to employment of Barrow's incapacity benefit claimants
- Help define the interventions most likely to assist them in re-engaging with the labour market

The central component of the research is a survey of 1000 incapacity claimants in Barrow. This is supplemented by a number of additional elements including an assessment of the 'absorption capability' of the Barrow economy, the views of employers, and a brief look at lessons from elsewhere in the country.

## Barrow's incapacity numbers

Barrow in Furness has one of the highest incapacity claimant rates in the country. This is illustrated in Table 1.1, which shows the 20 local authority districts in Great Britain with the highest share of the working age population (16-64 for men, 16-59 for women) claiming incapacity benefits in August 2006. Barrow comes ninth on this list with a rate of 13.6 per cent. Amongst English districts alone, Barrow comes third, behind only Easington (a former coalmining area in County Durham) and Knowsley (on the outskirts of Liverpool).

Like Barrow, virtually all the top 20 are industrial districts in the North, Scotland and Wales. In contrast, in extensive parts of southern England the incapacity claimant rate is typically 3-4 per cent, with rates as low as 2 per cent recorded in some districts.

**Table 1 : Incapacity claimant rate, top 20 GB districts, August 2006**

% of working age		
1.	Merthyr Tydfil	18.9
2.	Easington	18.8
3.	Blaenau Gwent	17.9
4.	Neath Port Talbot	16.3
5.	Rhondda Cynon Taff	15.8
6.	Caerphilly	15.5
7.	Glasgow	15.2
8.	Knowsley	14.2
9.	BARROW IN FURNESS	13.6
10.	Liverpool	13.5
11.	Inverclyde	13.5
12.	Bridgend	13.4
13.	Hartlepool	13.3
14.	Blackpool	13.1
15.	Carmarthenshire	13.0
16.	Barnsley	12.8
17.	Wear Valley	12.8
18.	North Lanarkshire	12.7
19.	Burnley	12.7
20.	Sedgefield	12.7

Sources : DWP, ONS



The headline total of incapacity claimants in Barrow (and elsewhere) is made up of three groups:

- *Incapacity Benefit recipients.* These men and women make up around 60 per cent of the national total. Incapacity Benefit is not means-tested except for a small number of post-2001 claimants with significant pension income.
- *Incapacity claimants who fail to qualify for Incapacity Benefit itself because they have insufficient National Insurance credits.* The government counts these men and women as IB claimants, but most of these 'NI credits only' claimants actually receive means-tested Income Support, usually with a disability premium. They account for a further 30 per cent of the national total, though a higher proportion of women than men.
- *Severe Disablement Allowance (SDA) recipients.* SDA is paid to pre-2001 claimants with a high level of disability and a poor NI contributions record. They account for the remaining 10 per cent. SDA is closed to new claimants.

These three groups make up the national total of 2.7m adults of working age claiming incapacity benefits, a figure now widely quoted in public debate. This headline figure is three times the number out-of-work and claiming unemployment benefits.

Two further points are worth noting here. First, in addition to the 2.7m working age incapacity claimants, some disability benefits – notably Disability Living Allowance - are also paid to men and women over pension age. The present study in Barrow, however, focuses solely on *claimants of working age*.

Second, in addition to the three core incapacity benefits noted above (IB itself, NI credits for incapacity and SDA) other benefits, including top-up disability benefits such as Disability Living Allowance, are often paid to incapacity claimants depending on their personal and household circumstances. A minority of IB claimants get by on Incapacity Benefit alone. The extent to which these additional benefits are claimed in Barrow is documented in the report.

In November 2006, 3,380 men of working age and 2,270 women of working age – a total of 5,650 people – were incapacity claimants in Barrow. This compares to a total

working age population in the borough of just 42,000. The higher numbers of men claiming incapacity benefits partly reflects the fact that they remain eligible for longer: men move across onto state pension at 65, whereas women presently do so at 60. Large numbers of men in their early 60s are incapacity claimants, in Barrow and elsewhere. Among the under 60s, the number of women claiming incapacity benefits has gradually been converging with the number of men, and the national ratio is now only 52:48 in favour of men. The old-fashioned view that incapacity is primarily a 'male' issue is wide of the mark.

As Table 1.2 shows, the total number of incapacity claimants in Barrow is down by around 1,000 on the peak level recorded at the beginning of the decade, and the sharpest reductions occurred between 2004 and 2006. The recent trends in Barrow are encouraging, though they are broadly in line with what has happened in a number of older industrial areas (including most of the top 20 listed in Table 1.1 earlier) where incapacity numbers have fallen over the last three or four years. The national total has also begun to fall a little for the first time in three decades, though more slowly than in places such as Barrow.

**Table 1.2 : Number of working age IB and SDA claimants in Barrow**

	<b>Men</b>	<b>Women</b>	<b>Total</b>
1999	4,050	2,590	6,640
2000	3,940	2,570	6,520
2001	3,890	2,460	6,360
2002	3,860	2,510	6,370
2003	3,910	2,530	6,450
2004	3,840	2,470	6,310
2005	3,600	2,370	5,970
2006	3,380	2,270	5,650

Figures are for November each year

Source : DWP

One of the standard explanations for the high numbers on incapacity benefits in Barrow and other older industrial areas is that they reflect 'hidden unemployment'. The argument here is that most jobless men and women are financially better off on Incapacity Benefit than they would be on Jobseeker's Allowance, the main benefit for the unemployed, which is means-tested for everyone after six months and from day one for many others. Many older unemployed people, in particular, are also able access incapacity benefits because of illness, injury or disability. The net effect is that in areas where the labour market is difficult, many jobless men and women with health problems claim incapacity benefits rather than unemployment benefits.

The most recent attempt to estimate the scale of this form of hidden unemployment, by the present research team<sup>1</sup>, suggests that in Barrow 2,300 men and 1,500 women who claim incapacity benefits might be regarded as 'hidden unemployed' in the sense that they would probably have been in work in a genuinely fully employed economy. This does not imply that their incapacity claims are fraudulent, because all the claims have to be authorised by medical practitioners and in practice an individual does not have to be incapable of all work in all circumstances. Nor do these estimates imply that the hidden unemployed on incapacity benefits are active job seekers. In fact, once on incapacity benefits many people give up looking for work and, as the survey results presented in this report show, the stock of claimants at whom back-to-work initiatives might usefully be targeted is quite a lot smaller than the estimated stock of hidden unemployed.

### **The new Barrow survey**

The core of the present report comprises the results of a survey of Barrow's working age incapacity claimants.

The survey was carried out in two phases: the first in late November and early December 2006, and the second between March and May 2007. A presentation on the results of the first phase was presented to the Routes to Work Steering Group in February 2007.

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<sup>1</sup> C Beatty, S Fothergill, T Gore and R Powell (2007) *The Real Level of Unemployment 2007*, CRESR, Sheffield Hallam University.

The survey was carried out face-to-face, in individuals' own homes, by professional interviewers, using a tightly structured questionnaire covering aspects of work history, skills, health, job aspirations, training needs, benefits and household circumstances. The questionnaire was an evolution of one that had previously been deployed by the research team in a number of localities. The Barrow questionnaire also acted as the pilot for a larger national study of women claiming incapacity benefits, being carried out by Sheffield Hallam and Dundee Universities.

The Department for Work and Pensions (DWP) supplied the names and addresses of the claimants to be interviewed, directly from its benefit records. This arrangement had been negotiated by the research team to facilitate the national study of incapacity claimants, mentioned above. The names and addresses were supplied in confidence, and the research team is not able to release them to Furness Enterprise or the Routes to Work team. However, the team is able to pass on the names and addresses of 134 interviewees who expressed an interest in returning to work and who consented to their details being made available.

The names and addresses from DWP were for IB claimants (including NI credits only claimants) but excluded Severe Disablement Allowance claimants. This latter group is not self-evidently an appropriate target for the Routes to Work initiative, bearing in mind the high level and long duration (often from childhood) of their disabilities.

The survey was structured to deliver roughly equal numbers of interviews with men and women. In Barrow, the ratio between men and women claiming IB is actually 60:40 in favour of men, though this largely reflects the later age at which men move across onto state pension. Men and women's labour market experiences differ in important ways, and we present figures separately for them.

The individuals selected for interview were clustered in around 25 local areas on the basis of postcodes, spread randomly across the whole of the borough. The research team are confident that this has generated a geographically representative sample.

As a condition of the use of DWP information, potential interviewees were sent a letter prior to the start of the relevant phase of the survey giving them two weeks to opt out by contacting the University on a free phone line. The opt-out rate was 30 per cent in phase 1. This was reduced to 20 per cent in phase 2 by revisions to the letter and the introduction of a prize draw into which all interviewees were entered.

There were up to three call-backs at each targeted address. No contact was made in some 20 per cent of cases, and there was a refusal rate of less than 10 per cent on the doorstep. The rates of opt-out, no contact and refusal are broadly typical of this type of survey research. The extent to which they may introduce bias to survey findings cannot be accurately assessed. Comparison with DWP data suggests that the oldest, longest standing claimants may be very slightly under-represented, but in a number of respects the new Barrow survey data does not look fundamentally dissimilar to data from previous incapacity surveys using different approaches<sup>2</sup>. These comparisons suggest that the data is probably broadly representative of Barrow's IB claimants.

Further checks have been carried out on the quality of the information gathered by the field force. These have included cross-checking a number of variables (eg age, duration on benefits) with the data provided by DWP on the same individuals. Checks were also made on variability between interviewers. As reported to Furness Enterprise, these checks did reveal problems with one of the interviewers. All the interviews carried out by that individual were either discarded, carried out for a second time, or re-checked in full over the phone. There is reason to be confident therefore in the quality of the survey returns.

In all, 999 useable interviews were completed – 488 with men and 511 with women. Of the total, 985 interviews were with individuals who had been incapacity claimants for at least six months. This is fractionally short of the original target of 1000, and reflects the need to discard a number of survey returns as a result of the quality checking procedure. In fact, taking account of the survey returns that had to be set aside because of shortcomings with one of the interviewers, mentioned above, in total over 1,100 face-to-face interviews were carried out. Each interview typically lasted 20-30 minutes.

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<sup>2</sup> See in particular the research reported in P Alcock, C Beatty, S Fothergill, R Macmillan and S Yeandle (2003) *Work to Welfare: how men become detached from the labour market*, CUP, Cambridge.

## **Previous research in Barrow**

In the autumn of 1999 a survey was carried out for Barrow BC, Cumbria CC and Furness Enterprise, by the present research team, covering non-employed men in the borough<sup>3</sup>. 183 of these men were Incapacity Benefit claimants.

A number of the questions in the 2007 survey are identical to those in the 1999 survey, though the survey sample in 1999 was derived by 'door knocking' rather than with the help of DWP. This nevertheless opens up the unique opportunity to examine the changing characteristics and aspirations of Barrow's male incapacity claimants, and several of the tables in the present report make these comparisons. In November 1999 there were 4,050 male incapacity claimants in Barrow, compared to 3,380 in November 2006.

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<sup>3</sup> C Beatty and S Fothergill (2000) *The Real Level of Unemployment in Barrow*, CRESR, Sheffield Hallam University.  
See also C Beatty and S Fothergill (2002) 'Hidden unemployment among men: a case study', *Regional Studies*, vol 38, pp 461-480.

**David, age 52**

*David displaced two discs in his back in an accident while working as a chargehand in a Dutch shipyard in the mid 90s. After returning to Barrow and having an operation he found he could no longer carry out physical work and began teaching crafts to people with learning disabilities. After a further operation the pain became unmanageable and he went on Incapacity Benefit in 2002.*

*Last year he had further treatment and now feels more mobile. If he'd had this particular treatment earlier he feels he would never have had to give up working. He has begun working part-time in a care home on 'Permitted Work' whilst still claiming IB. He feels his previous health problems have made it more difficult to find work and at times feels discriminated against: "You know they're pretty keen until it comes to your medical.....it's hard getting to the interview process as soon as they find out about your medical history".*

*David has recently had an interview for a full-time post working at a local security firm and believes that, pending security checks they will hire him.*

**Marion, age 49**

*Marion used to work in retailing. After a spell as acting store manager while the shop was understaffed, she started suffering from depression, anxiety and a series of related illnesses. Initially she wanted to continue working. After her husband persuaded her to go to the doctor she moved onto sick pay and finally, five years ago, onto Incapacity Benefit.*

*Marion had previously not heard of Incapacity Benefit, nor had any dealings with the benefits system. She would like to work again but feels she is not yet sufficiently recovered. Her sister gave her a leaflet about IT training which she is currently undertaking after consultations with the Barrow Action Team. She does not want to work in retail again after her previous experience but is unsure what alternatives are available or what skills she might require.*

## 2. BARROW'S STOCK OF INCAPACITY CLAIMANTS

### Age and duration on benefits

The age of the incapacity claimants included in the 2007 Barrow survey is shown in Table 2.1. This also includes comparable figures for men from the 1999 survey.

**Table 2.1 : Age of incapacity claimants**

	2007 survey		1999 survey
	Men (%)	Women (%)	Men (%)
16-24	3	3	*
25-34	6	10	10
35-44	18	23	16
45-54	22	32	19
55-59	26	31	)
60-64	26	2	) 55
	100	100	100

\*not included in 1999 survey

Source : Sheffield Hallam survey data

Among both men and women, incapacity claimants in Barrow are skewed towards the older age groups. This is a well-established national pattern. Just over half Barrow's male IB claimants are between 55 and 64. Women claiming IB are a slightly younger group, in part because they move across onto state pension at an earlier age. The small number of women over 60 who are claimants reflects detailed



benefit rules that allow women who carry on working beyond 60 to claim IB for short periods.

Comparing the two surveys suggests that in 2007 male incapacity claimants in Barrow are a slightly younger group than in 1999, with 40 per cent in the 35-54 age band in 2007 compared to 35 per cent in 1999. This is in line with national trends, which have been broadly for older workers with physical disabilities to be very gradually replaced by a cohort of slightly younger men, often with mental or behavioural problems, including alcohol and drug addiction.

The most significant observation from a comparison of the two surveys is that most of the 55-64 year old men who claimed IB in 1999 – and at the time made up 55 per cent of all male IB claimants in the borough – will by 2007 have reached 65 and dropped off incapacity benefits. So although the total number of men in Barrow claiming incapacity benefits remained virtually unchanged between the two years, a very substantial turnover in the stock of claimants must have occurred. The men who are claiming IB in 2007 will often not be the same men who were claiming in 1999.

**Table 2.2 : Length of time on incapacity benefits**

	<b>Men (%)</b>	<b>Women (%)</b>
Less than 6 months	1	2
6 months–1 year	4	3
1-2 years	6	6
2-5 years	24	25
5-10 years	25	26
10 years or more	40	38
	100	100

Source : Sheffield Hallam survey data

Nevertheless, in Barrow the average duration on incapacity benefits remains substantial. Table 2.2 shows that around two-in-five of all claims have been for 10

years or more. A further quarter of all claims have been for between 5 and 10 years. One of the most telling statistics quoted by ministers is that after two years on Incapacity Benefit a person is more likely to retire or die than return to work. The very long duration of incapacity claims in Barrow would seem to bear this out.

## Qualifications

Table 2.3 shows selected qualifications held by Barrow's IB claimants. What needs to be kept in mind here is that many people have more than one qualification, and there are many different types of qualification. The striking figure is the share of IB claimants that have no formal qualifications at all – more than half of all men and half of all women. There is clearly a large cohort among the claimants that, for lack of qualifications alone, is likely to be acutely disadvantaged in the labour market.

**Table 2.3 : Selected qualifications**

	2007 survey		1999 survey
	Men (%)	Women (%)	Men (%)
Degree	3	4	2
'O' level/CSE/GCSE	22	34	24
NVQ/ONC/OND/HNC/HND	10	16	10
Craft apprenticeship	21	1	37
No formal qualifications	53	52	38

NB Columns do not add to 100 because some respondents have more than one qualification

Source : Sheffield Hallam survey data

The more shocking statistic is that between 1999 and 2007 the share of male IB claimants with no formal qualifications actually *increased*. This is the opposite of what might have been expected because over this period a group of older men and women with no formal qualifications, who mostly entered the labour market in the 1950s when qualifications were deemed less essential, have finally reached retirement age. As they have done so they have been replaced in the workforce by a younger generation of new workers with more education and training. As a result,

across the country as a whole the share of working age adults with no formal qualifications has slowly been falling. Barrow's IB claimants appear to buck this well-established trend. The rise of male IB claimants with no formal qualifications is matched by a fall in the share who have served a craft apprenticeship – down by nearly half since 1999.

## Work experience

Table 2.4 shows the length of time since IB claimants' last regular paid job. Reflecting the long duration of many incapacity claims, in nearly half of all cases it is 10 years or more since the individual was last in regular employment. This proportion has gone up since 1999, when only around one-in-eight men had been out of work for so long. In so far as the employability of an individual declines with

**Table 2.4 : Length of time since last regular paid job**

	2007 survey		1999 survey
	Men (%)	Women (%)	Men (%)
Less than 6 months	1	1	*
6 months-1 year	3	2	)
1-2 years	4	5	) 10
2-5 years	22	19	27
5-10 years	22	19	49
10 years or more	46	47	13
Never had one	3	6	1
In work**	0	2	*
	100	100	100

\*not included in 1999 survey

\*\*benefit rules allow some limited employment

Source : Sheffield Hallam survey data

rising duration out of work (the conventional view among labour market economists) on average Barrow's stock of male IB claimants is therefore less employable now than in the late 1990s.

Table 2.5 shows the occupational background of Barrow's IB claimants. These statistics are based on what these men and women called their 'usual occupation' and the various jobs have been grouped into four broad categories. Manual workers dominate – they account for 80 per cent of both men and women. The 'other manual' category includes plant and machine operatives, shop work, labouring, and routine personal services. This category alone accounts for half the men claiming IB, and three-quarters of the women. Among men the 'other manual' category has grown substantially since 1999, largely at the expense of skilled manual workers. Professionals account for very few IB claimants – in Barrow or elsewhere in Britain.

**Table 2.5 : Occupational background**

	<b>2007 survey</b>		<i>1999 survey</i>
	<b>Men (%)</b>	<b>Women (%)</b>	<i>Men (%)</i>
Professional	3	1	2
Other white-collar	16	20	22
Skilled manual	31	5	49
Other manual	50	74	27
	100	100	100

Source : Sheffield Hallam survey data

Table 2.6 lists some typical occupations of Barrow's IB claimants. There are few surprises here, though there is little overlap between the occupations previously undertaken by men and women. The ten occupations listed in this table for men account for around a third of all Barrow's male IB claimants. In contrast, the six occupations listed for women account for around half of all Barrow's female IB claimants.

**Table 2.6 : Some typical occupations**

<b>Men</b>	<b>Women</b>
Electrician	Nurse
Welder	Cook
Fitter	Care assistant
Bricklayer	Shop assistant
Joiner	Machinist
Painter and decorator	Cleaner
Machine operative	
HGV driver	
Labourer	
Bin man	

Source : Sheffield Hallam survey data

Table 2.7 shows that men were more likely than women to have been working full-time – no surprise perhaps, given what has always been known about women’s working patterns. Men were also more likely to have been self-employed, though even among men the self-employed account for only about one-in-fourteen of the total.

**Table 2.7 : Status in last job**

	<b>Men (%)</b>	<b>Women (%)</b>
Employee – full-time	91	72
Employee – part-time	3	25
Self-employed	7	3
	100	100

Source : Sheffield Hallam survey data

Despite the lengthy periods on incapacity benefits, many IB claimants do have a record of substantial, continuous employment. This is illustrated by Table 2.8, which shows the length of time in claimants’ last job. 40 per cent of men and just over 20 per cent of women spent 20 years or more in their last job. Among men, this proportion has increased since 1999.

**Table 2.8 : Length of time in last job**

	2007 survey		1999 survey
	Men (%)	Women (%)	Men (%)
Less than 2 years	14	18	)
2-5 years	12	14	) 34
5-10 years	15	24	)
10-20 years	20	24	15
20 years or more	40	21	26
	100	100	25
			100

Source : Sheffield Hallam survey data

### Reasons for job loss

The reasons why individuals leave a job can be complex. Sometimes there is a single, clear-cut cause. On other occasions job loss is the result of the interaction of a number of factors – for example cuts in a firm's workforce combined with personal ill health, domestic responsibilities and maybe even a bullying or unsympathetic boss. The survey asked men and women to identify the *principal* reason for leaving their last regular paid job. Table 2.9 shows the responses.

A striking feature here is the importance of illness or disability as the trigger of job loss. This was cited by around three-quarters of both men and women. By comparison, other factors were far less significant. Compulsory severance, for example, accounts for only 14 per cent of men, and 9 per cent of women. Leaving to have a baby accounts for only 6 per cent of job loss among women.

A further striking feature is the change through time. The 1999 survey asked the same question of men. At that time, illness or injury was the primary reason for job loss in only 40 per cent of cases, whilst compulsory or voluntary redundancy accounted for half. Bearing in mind that at least some of the men who were claiming incapacity benefits in 1999 are still claimants in 2007, the data on the causes of job

**Table 2.9 : Principal reason for job loss**

	2007 survey		1999 survey
	Men (%)	Women (%)	Men (%)
Compulsory severance*	14	9	27
Voluntary – redundancy/retirement	4	1	23
Voluntary – pregnancy/baby	n.a.	6	n.a.
Voluntary – to look after children/others	1	4	)
Voluntary – other reasons	2	4	) 9
Illness or injury	78	74	40
Other	2	3	1
	100	100	100

\*compulsory redundancy, dismissal, end of contract

Source : Sheffield Hallam survey data

loss indicates that since the late 1990s there have been radical changes in the reasons why IB claimants' last jobs ended. Formerly redundancy was dominant; now it is overwhelmingly ill health.

## Heath issues

Table 2.10 looks at the nature of individuals' health problems. Although this data refers to the men and women who were surveyed, it comes directly from DWP's records. The illnesses and disabilities reported in this table are doctors' official assessment of the nature of claimants' health problems and the medical basis of their incapacity claims.

Two categories dominate: mental/behavioural problems, and musculoskeletal problems. They account for between half and two-thirds of all men and all women. Both categories are in practice very broad. Mental/behavioural problems can be

**Table 2.10 : Nature of ill health or disability**

	<b>Men (%)</b>	<b>Women (%)</b>
Mental, behavioural	31	41
Musculoskeletal	26	23
Circulation	9	3
Nervous system	5	5
Injury, poisoning	5	3
Respiratory	4	4
All other	20	21
	100	100

Source : DWP

characterised as including stress and depression as well as more obviously serious psychological conditions, and include drug and alcohol addiction. Musculoskeletal problems can be characterised as ‘bad backs’ as well as more serious physiological constraints on movement. Women are more likely than men to claim incapacity benefits because of mental health problems. Men are more likely than women to claim because of musculoskeletal problems. Men are also more likely to claim because of circulatory problems – typically heart attacks or heart conditions.

It is important to note here that many of these reported conditions would not necessarily mean that an individual was incapable of all work in all circumstances: this depends on the precise nature of the condition and its severity. The Personal Capability Assessment, which most claimants have to go through after 6-9 months to maintain an incapacity claim, assesses the ability to undertake a number of basic tasks, not whether it is impossible to do any work at all. If the individual scores sufficiently highly (ie if they have a reasonably high level of physical or mental impairment) the incapacity claim is allowed. National data from the Labour Force Survey shows that between 6 and 7 million adults of working age report a ‘long-term work-limiting illness or disability’. Of these, around half are in employment.



Table 2.11 shows claimants' own assessment of the influence of health on their ability to work. A degree of self-reported health limitation is nearly universal – only around one-in-twenty claimants say there is no limitation on the work they can do. But only around a third say they 'can't do any work'. These figures from Barrow are broadly similar to the responses to the same questions in other survey areas<sup>4</sup>. Furthermore, at least among men in Barrow the table shows that there has been little change through time.

**Table 2.11 : Self-assessment of influence of health on ability to work**

	<b>2007 survey</b>		<i>1999 survey</i>
	<b>Men (%)</b>	<b>Women (%)</b>	<i>Men (%)</i>
'Can't do any work'	37	32	34
'A lot' of limitation	32	39	39
Some limitation	26	23	24
No limitation	5	6	3
	100	100	100

Source : Sheffield Hallam survey data

Table 2.12 presents claimant's own expectations about their health or disabilities. Optimism is not the norm: around half of all men and of all women expect their problems to worsen. Fewer than ten per cent expect them to ease.

In Barrow, only 13 per cent of men claiming IB and 10 per cent of women say they have taken part in any rehabilitation programmes. For those who have taken part in such programmes, Table 2.13 presents their assessment of the impact. This provides more optimistic reading: rather more than half report that the programme 'helped a lot' or 'helped a little'.

<sup>4</sup> See P Alcock et al (2003) op cit.

**Table 2.12 : Expectations about current health problems/disabilities**

	<b>Men (%)</b>	<b>Women (%)</b>
Get better	5	6
Stay much the same	16	12
Fluctuate	25	31
Get worse	51	48
Don't know	3	3
	100	100

Source : Sheffield Hallam survey data

**Table 2.13 : Impact of rehabilitation programmes**

	<b>Men (%)</b>	<b>Women (%)</b>
Helped a lot	21	31
Helped a little	33	33
Too early to tell	12	8
Not sure	10	8
Not at all	23	14
Made things worse	2	6
	100	100

Source : Sheffield Hallam survey data

## Job aspirations

Table 2.14 is particularly significant. It combines the results of several survey questions.

The first line presents the responses to the question ‘would you like a job?’ There are two extremely important findings here. First, the proportion of Barrow’s IB claimants saying they would like a job is slightly less than one-in-five. Second, among men the proportion wanting work has slipped from 64 per cent in 1999 to just 18 per cent in 2007. Barrow’s IB claimants are, it would appear, a de-motivated group with few aspirations to work and the detachment from the labour market, at least among men, has increased sharply in recent years.

**Table 2.14 : Job aspirations**

	2007 survey		1999 survey
	Men (%)	Women (%)	Men (%)
Would like a job	18	19	64
Might like a job further into future	9	13	*
Looked after last job ended	13	7	30
Looking now	8	5	4
Thinks there’s a realistic chance of ever getting one	5	4	8

\* not included in 1999 survey

Source : Sheffield Hallam survey data

The proportion of Barrow’s IB claimants who say they would like a job is lower than the research team have previously recorded in any comparable survey elsewhere in the country. It is also lower than national figures on the share of non-employed adults of working age with health problems who say they would like a job. Conversely, the 64 per cent of male IB claimants in Barrow in 1999 who said they would like a job was unusually high: a more typical figure for comparable surveys in

the late 1990s was just below 50 per cent. It is possible that some of the observed change in Barrow between 1999 and 2007 reflects sampling errors or biases in the survey method, though the question itself was identical. Nevertheless, even if survey methods account for part of the observed difference between the two years, it is hard to avoid the conclusion that the figures are principally underpinned by real change in claimants' aspirations.

On a more positive note, the second line of Table 2.14 shows the additional claimants who said that they might like a job further into the future. Combined with those saying 'would like a job' in the first line of the table, this brings the pool of potential jobseekers up to 27 per cent of male IB claimants and 32 per cent of female IB claimants.

The third line in the table shows the proportion that looked for work after their last job ended. Among both men and women this was not large, and for men the proportion was again well down on 1999. The declining proportion looking for work at the time of job loss is consistent with the rising proportion who say they lost their last job principally for reasons of ill health.

The fourth line shows the proportion who say they are presently looking for work. This is below 10 per cent for both men and women, though the proportion of active jobseekers among men appears to have increased slightly since 1999. It should be noted here that unlike Jobseeker's Allowance for the unemployed, Incapacity Benefit does not require the claimant to look for work, and most do not do so. Indeed, there are often fears among IB claimants that to be seen to look for work would bring their status as an IB claimant into question. Employment Support Allowance, which will replace Incapacity Benefit for new claimants from 2008, will for the first time introduce an element of conditionality, but this will be to undertake activities to 'prepare for work', which may be rehabilitation, re-training or voluntary work as well as job search.

The fifth and final line of the table refers to those who are presently looking for work and think there's a realistic chance of getting a job. The figures show that optimism is not universal, even among the active jobseekers.

Table 2.15 shows the main reasons given for not wanting a job. Poor health dominates the responses. This is not unusual – comparable surveys in other localities also highlight the overwhelming importance of ill health or disability.

**Table 2.15 : Main reasons for not wanting a job**

	Men (%)	Women (%)
Health not good enough	93	93
Too much uncertainty	5	5
Decided to retire permanently	5	2
Age	2	1
Family responsibilities	2	3
Children to look after	1	2
No suitable jobs	1	1

NB columns do not add to 100 because some people give more than one reason

Source : Sheffield Hallam survey data

## Pathways to Work

Pathways to Work was introduced to Barrow in October 2005. All new IB claimants (with some specified exceptions) have to pass through Pathways during their first 6-9 months. This involves work-focussed interviews and claimants may be routed on to training or rehabilitation schemes. Existing claimants can volunteer for Pathways. New Deal for Disabled People (NDDP) has been around longer, since the beginning of the decade, but engagement is entirely voluntary. NDDP also provides access to training and rehabilitation.

Table 2.16 shows that only a small minority of Barrow's IB claimants have had contact with either Pathways to Work or NDDP. Most IB claims in Barrow pre-date the introduction of Pathways to the area, so the low contact rate is unsurprising. Contact was most often on a voluntary basis.

**Table 2.16 : Contact with Pathways to Work or New Deal for Disabled People**

	<b>Men (%)</b>	<b>Women (%)</b>
Yes – compulsory	5	5
Yes – volunteered	9	8
No	84	85
Don't know/not sure	2	2
	100	100

Source : Sheffield Hallam survey data

### **Sources of income**

Incapacity Benefit is not generous. The standard, long-term rate, which will apply to the majority of claimants in Barrow, is just over £80 a week. However, many IB claimants receive further top-up benefits, and IB is rarely the sole source of household income.

Table 2.17 shows the benefits currently being received by Barrow's IB claimants. Incapacity Benefit itself is not received by everyone: the IB claimants who have insufficient NI credits will usually receive Income Support. In addition, some IB recipients also receive Income Support as a top-up, depending on household circumstances. Disability Living Allowance, which is paid at a number of rates according to the extent of disability and is in theory meant to offset additional costs, is also claimed by around half of all IB claimants. Council Tax Benefit and Housing Benefit (both paid on the basis of household circumstances) are both widely claimed as well.

Table 2.18 looks at other sources of financial support. Again, these are varied. Only a very small proportion of IB claimants say they undertake any temporary or casual paid work. The responses to this question are probably honest, given the openness of interviewees about so many other aspects of their financial affairs. Nearly a third of male IB claimants have income from a pension, though considerably fewer women do so. For both men and women, this income will be from personal and company

**Table 2.17 : Benefits currently received**

	Men (%)	Women (%)
Incapacity Benefit	83	77
Disability Living Allowance	48	51
Council Tax Benefit	38	36
Income Support	34	41
Housing Benefit	31	31
Disablement/Industrial Injuries	6	4
Other benefits (ex Child Benefit)	6	3

Source : Sheffield Hallam survey data

**Table 2.18 : Other sources of financial support**

	Men (%)	Women (%)
Temp/casual paid work	2	3
Pension income	29	13
Partner in work	20	29
Partner claiming benefit	24	15
Partner with pension income	11	9
Other personal income	8	7

NB an individual may have several sources of income

Source : Sheffield Hallam survey data

pensions, not state pension. A partner's income can also be an important source of financial support, and this may be income from employment, benefits or a pension. Women are more likely to have a partner in work; men are more likely to have a partner claiming benefit.

## Household circumstances

The final two tables in this part of the report deal with the wider household circumstances of Barrow's IB claimants.

**Table 2.19 : Household type**

	Men (%)	Women (%)
Partner, no dependent children	43	36
Partner, at least one dep. child	15	17
No partner, at least one dep. child	2	10
No partner, other adults/older children	10	12
Live alone	30	25
	100	100

Source : Sheffield Hallam survey data

**Table 2.20 : Housing tenure**

	Men (%)	Women (%)
Owner-occupied - with mortgage	27	35
- owned outright	27	19
Rented – private	14	15
- from housing association	5	5
- from local authority	24	24
Live with parents	3	2
Other	1	1
	100	100

Source : Sheffield Hallam survey data



Table 2.19 shows that rather more than half of all the men and women who claim IB are living with a partner (as a married or unmarried couple) though only a minority of these couples have dependent children (under-16s). The preponderance of couples without dependent children is no doubt a reflection of the age of many IB claimants. Among women, lone parents with under-16s account for one-in-ten of the total. A sizeable minority of both men and women on IB live alone.

Finally, Table 2.20 shows the housing tenure of IB claimants. Owner occupation accounts for just over half of all men and of all women, but men are more likely to own their home outright. About a quarter of IB claimants live in council housing.

### **The stock of IB claimants: an assessment**

Taken as a whole, the survey data paints a picture of Barrow's IB claimants that is inauspicious for the Routes to Work initiative. The obstacles in the way of moving claimants into work are formidable. The key points in this respect are:

- The very long duration of many incapacity claims
- The high proportion of claimants who have no formal qualifications
- The predominantly low-skill manual experience of so many claimants
- The prominence of ill health, as a cause of job loss and as a reason for not wanting a job, and the pessimism of so many claimants about their health prospects
- The low proportion who say they would like a job
- The even lower proportion who are presently looking for work

Furthermore, the survey data strongly suggests that since the late 1990s the male IB client group in Barrow has become substantially more disengaged from the labour market and will be far harder to move back towards employment. The key points in this respect are:

- The increase in the share of claimants who have been on incapacity benefits for more than 10 years
- The increase in the share with no formal qualifications, which runs contrary to trends in the workforce as a whole
- The very sharp decline in the share who say they would like a job

Knitting these observations together into a coherent narrative to explain what has happened is not easy, and inevitably somewhat subjective.

The starting point is probably the redundancies from the shipyard that has historically so dominated Barrow's economy. These job losses mostly occurred during the early and middle 1990s. Many of the unemployed shipyard workers moved onto Incapacity Benefit rather than unemployment benefits because they were financially better off in doing so and because they had sufficient health problems or disabilities, sometimes picked up through working in the shipyard itself, to allow them to access these benefits. In 1999, when the first survey was conducted, it therefore found a large group of often skilled men who had been made redundant (either compulsorily or voluntarily, though the distinction is often blurred when firms are shedding labour) and had not lost residual aspirations to work.

By 2007 many of this group of ex-shipyard workers have dropped off incapacity benefits – some back into work no doubt, but very many simply onto state pension at age 65. However, with a continuing imbalance in the Barrow labour market, with the local demand for labour still running well behind the potential local labour supply, it is inevitable that some individuals will continue to be squeezed out. What appears to have happened is that whereas in the late 1990s the response to labour market imbalance was that redundant shipyard workers moved across onto incapacity benefits, more recently the men and women that have been squeezed out are those least able, or least willing, to keep a foothold in the local labour market. These are typically the least skilled, the least healthy and (to some extent no doubt) the least motivated.

So although the number of men in Barrow who claim incapacity benefits has fallen by only around 600 between the late 1990s and the present day, the composition of this group has gradually undergone a transformation. The skilled craftsman, forced out by redundancy, is disappearing. His place is being taken by the poorly-qualified, low-skill manual worker in poor health, whose alternative would at best be unrewarding work at or close to the national minimum wage. Indeed, for some of these disadvantaged individuals ill health or disability may be a welcome ticket out of a difficult labour market predicament. Furthermore, in so far as men and women now often compete for the same jobs, a difficult local labour market for men will have begun to put pressure on job opportunities for women as well. Through normal labour market processes, a job loss among men is in this way eventually transmitted to women, forcing some of them out of the labour market altogether and onto benefits.

This is of course a caricature of what seems to have happened in Barrow. However it would explain several of the key observations from the survey, in particular the growing concentration of disadvantaged workers on IB, the declining share who would like to work, and the prominence of ill health in the way that many men and women now define their relationship to the labour market.

**Robert, age 50**

*Robert worked in the shipyard before being made redundant in 1992 and he found gaining subsequent employment extremely tough. He was subsequently working as a concierge on the front desk of an office building before the company employing him went into liquidation. He was in his late 40s. The job had fitted well with Robert's health needs as he suffers from arthritis and cannot stand up for long periods. He also suffers from back problems, depression and diabetes.*

*Robert spent about a month looking for a new job but his health limited the type of work he could do. Robert was told by his GP he was "not fit for work" and he is now claiming Incapacity Benefit and Disability Living Allowance. Robert says his health has deteriorated and he now feels his arthritis and depression make him unsuitable for work.*

**Jane, age 31**

*Jane spent ten years working as a nurse with patients with mental problems. As a result of the physical demands of her job, which involved lifting, dressing and bathing, she began to develop back and shoulder problems. These built up over time and she found she was off work for periods of weeks or months fairly frequently.*

*The final time she was off work her employer's occupational health officers didn't feel she was well enough to return and she subsequently moved onto Incapacity Benefit. She was in her late 20s at the time. Jane feels that had her employer been more flexible and offered her a job that was less physical she might have been able to stay in work.*

*Jane would like to come off Incapacity Benefit but she identifies needing to be able to better control her pain as the main barrier to employment. She says she cannot undertake physical work but would "certainly like advice" about what she could do. She feels she would need some training as all her previous qualifications were specific to nursing.*

### 3. THE TARGET GROUP FOR ROUTES TO WORK

#### Size of the group

There is little point in targeting back-to-work initiatives at incapacity claimants who do not want to work and, as the survey data shows, a very substantial proportion of Barrow's IB claimants say they have no interest in returning to work. In the absence of compulsion, which is neither available to Routes to Work nor planned by the government, these particular claimants will only pass out of the incapacity figures when they retire or die.

The target group that is potentially of interest to Routes to Work is made up of:

- Those who say they would like a job
- Those who say they might like a job further into the future

Table 3.1 shows the size of this group in Barrow, based on the survey findings. Overall, the target group is estimated to comprise 860 men and 630 women – or about 1,500 individuals in total. This represents a little less than a third of the stock of incapacity claimants in the borough. These are however a snapshot at one point in time: there is continuous if slow turnover in the stock of IB claimants. Over a two year period, say, the through-put of IB claimants who might be expected to return to work, and thereby offer a potential target for initiatives such as Routes to Work, may be nearer 2,000.

Table 3.2 shows the age breakdown of this target group, again based on the survey findings. Whereas over half of the men on IB and a third of the women are over 55 (see Table 2.2 earlier) the target group is somewhat younger: around 60 per cent are

in the 35-55 age brackets. These are men and women who are still a long way off state pension age and have clearly not yet given up hope of working.

**Table 3.1 : Estimated size of target group for Routes to Work in Barrow**

	<b>Men</b>	<b>Women</b>	<b>Total</b>
IB claimants, November 2006*	3,190	1,980	5,170
Would like a job now or might like one in the future	27%	32%	29%
<b>Target group</b>	<b>860</b>	<b>630</b>	<b>1490</b>

\*excludes SDA claimants

Source : DWP and authors' estimates based on Sheffield Hallam survey data

**Table 3.2 : Age of target group**

	<b>Men estimated no.</b>	<b>Women estimated no.</b>
16-24	70	40
25-34	100	110
35-44	230	230
45-54	270	140
55-59	110	90
60-64	60	10
	<b>860</b>	<b>630</b>

Sources : Sheffield Hallam survey data and authors' estimates

## Personal characteristics of the target group

Table 3.3 looks at the duration of incapacity claims and expresses the target group as a share of all IB claimants in each category. This reveals a strong but unsurprising pattern: the men and women who have the shortest claims are the most likely to express interest in returning to work. Around two-thirds of those with claims of between six months and two years are potential jobseekers. The likelihood of wanting to work declines steadily thereafter but never entirely disappears: even a modest proportion of the 10 years-plus claimants do still express an interest in working.

**Table 3.3 : Target group by duration on incapacity benefits**

	% who would/might like a job	
	Men	Women
6 months-2 years	63	69
2-5 years	37	42
5-10 years	25	24
10 years or more	12	21

Source : Sheffield Hallam survey data

Table 3.4, which deals with the length of time since the claimant's last regular job, shows a somewhat similar pattern though here the figures are expressed as a percentage of the overall target group. The table shows that quite a number of men and women expressing an interest in working have been out of work for a very long time.

Table 3.5 presents figures on selected qualifications. Overall, the men and women who express interest in working are slightly better qualified than the incapacity claimant group as a whole (see Table 2.3 earlier) but a high proportion still have no formal qualifications.

**Table 3.4 : Target group – length of time since last regular paid job**

	<b>Men (%)</b>	<b>Women (%)</b>
Less than 2 years	18	18
2-5 years	33	29
5-10 years	21	15
10 years or more	25	30
Never had one	3	5
In work*	0	3
	100	100

\*benefit rules allow some limited employment

Source : Sheffield Hallam survey data

**Table 3.5 : Target group – selected qualifications**

	<b>Men (%)</b>	<b>Women (%)</b>
Degree	4	5
'O' level/CSE/GCSE	34	54
NVQ/ONC/OND/HNC/HND	17	23
Craft apprenticeship	24	1
Nor formal qualifications	41	36

NB Columns do not add to 100 because respondent may have more than one qualification

Source : Sheffield Hallam survey data



In terms of health, shown in Table 3.6, mental/behavioural problems are more typical of the target group than of Barrow's IB claimants as a whole. The likelihood here is that many of the individuals in this category are affected by stress and/or depression. At one level this should offer encouragement to Routes to Work since these difficulties need not always be an insurmountable obstacle to employment. At another level, the prominence of mental/behavioural problems is a signal to tread carefully and sensitively.

**Table 3.6 : Target group – nature of ill health or disability**

	<b>Men (%)</b>	<b>Women (%)</b>
Mental, behavioural	41	55
Musculoskeletal	22	15
All other	37	30
	100	100

Source : DWP and Sheffield Hallam survey data

### **Job aspirations**

Table 3.7 presents a range of information regarding the job aspirations of those who say they would like a job.

The first part of the table concerns full and part-time working. It comes as no surprise that half the women are only interested in part-time working, given the domestic responsibilities that so many women carry. That only a quarter of the men would insist on full-time work is a more novel observation. The preference for (or willingness to accept) part-time working may partly reflect the interplay of poor health and long periods out of the labour market. Many men and women on incapacity benefits are genuinely uncertain about their ability to hold down a full-time job. They fear for the robustness of their own physical or mental health. They are also wary of taking on full-time work commitments knowing that their on-going health problems may require them to take time off, especially to cope with conditions that they know tend to fluctuate.

**Table 3.7 : Aspirations of those who would like a job\***

	<b>Men (%)</b>	<b>Women (%)</b>
Would like - full-time job only	27	23
- part-time job only	31	48
- full or part-time job	42	29
To start - now/fairly soon	43	26
- sometime over next year	27	31
- further into future	15	25
- not sure	15	18
Type of work - usual/previous occupation	10	12
- other occupation	61	68
- anything	15	5
- don't know	14	16
Where - just Barrow area	84	91
- Barrow or neighbouring Cumbria	7	7
- anywhere	6	2

\*excludes those saying only 'might like job further into future'

Source : Sheffield Hallam survey data

The second part of the table deals with when they might like to start work. The significant point here is that rather fewer than half the men, and only a quarter of the women, are keen to start fairly soon.

The third part of the table concerns the type of work they would like. The important observation is that only around one-in-ten want to return to their old occupation. Far more – around two-thirds – have an alternative occupation in mind. What is also notable is that a sizeable minority are either completely open-minded about what they might do or don't know at all.

The final part of the table deals with where these men and women are willing to work. The vast majority say they would only work in the Barrow area itself, and only a handful more would be willing to take a job in neighbouring parts of Cumbria.

The survey asked IB claimants whether they had access to a car. 56 per cent of the men who expressed interest in working, and 52 per cent of the women, had a car or van available to the household but only 48 per cent of the men and 36 per cent of the women said that a vehicle would be available for them to travel to work.

**Table 3.8 – Alternative occupations cited by those who would like a job**

Men	Women
Taxi driver	Author
Labourer	Customer service
Driving instructor	Clerical
Concierge	Cleaning
Office work	Shop work
Packing	Teaching assistant
Builder	Office work
Teaching	Care worker
Carpenter	Driving instructor
Catering	Counselling
Admin assistant	Data input
Clerical	Interior designer
Landscape gardener	Nurse
Counsellor	Child care assistant
Hydraulics engineer	Kitchen assistant
Welder	Events co-ordinator
Steward	FE teaching
Painter & decorator	Driving
Youth work	Working with people
Security	Carer for adults with learning disabilities
Electrician	Factory operative
Warehouse operative	Hairdresser
Delivery driver	Librarian
Steel worker	Voluntary sector
Driving	Nail technician
Accountant	Film camera work
Computing	Legal secretary
Photographer	Typing
Cleaning	Lawyer
Factory work	Barmaid
Stacking shelves	CAB adviser
Validation engineer	Health and safety inspector
Graphic artist	Cook
Data input	Waitress
Tree surgeon	Cashier
IT service engineer	Courier
IT systems engineer	
Self-employment (mnf)	

Source : Sheffield Hallam survey data

Table 3.8 lists the alternative occupations mentioned by those who would like a job. The occupations are presented in no particular order here, and several were cited by more than one person. Some men and women also mentioned up to three alternatives for themselves. The diversity of the list is striking. So too is the highly specific aspirations of at least some individuals.

**Table 3.9 : After-tax earnings needed to come off benefit**

	<b>Men (%)</b>	<b>Women (%)</b>
Less than £200 pw	12	24
£200-249 pw	17	16
£250-299 pw	14	12
£300 pw or more	28	10
Don't know	28	39
	100	100

Source : Sheffield Hallam survey data

Table 3.9 presents the responses to the question ‘Roughly how much do you think you would need to earn, after tax, to make it worthwhile coming off benefit?’ This was asked only of those who said they would definitely like a job. There are two significant observations here. The first is that many men and women simply don’t know. This is not entirely surprising, given the complexity of the tax credit system and the various in-work benefits that are available as well as the equally complex issue of potential reductions in subsidiary benefits, from Housing Benefit to free school meals. The ‘don’t knows’ may also reflect a lack of thought on this issue by some men and women for whom a job still seems a remote prospect.

The other significant observation is that the required wage level is often quite high. This does not apply to everyone - there are some who would happily settle for less than £200 per week - but there are more who would need at least £300 a week, and this figure is after tax. To put these numbers into context, a full-time job at the national minimum wage might typically result in a post-tax income of £170-180 a week. To earn £300 a week after tax might typically require an annual pre-tax income of approaching £20,000 a year. On the other hand, a high proportion of IB claimants, including those who say they would like a job, have no formal qualifications. There must be a serious question about whether, in a difficult labour market such as Barrow, these wage aspirations can be met.

## Obstacles to employment

Table 3.10 lists the obstacles to finding work cited by those who say they would like a job or might like a job in future. Ill health, injury or disability dominates this list.

**Table 3.10 : Obstacles to finding work**

	Men (%)	Women (%)
Ill health, injury, disability	87	89
Not enough suitable jobs	13	11
Age	13	5
Qualifications, skills, experience	10	14
Difficult to get to work	3	6
Lack of advice on benefits/options	2	1
Childcare arrangements	2	12
Lack of confidence	1	5
Other various obstacles	6	4

NB individuals could cite more than one obstacle so columns do not add to 100

Source : Sheffield Hallam survey data

Among the less frequently mentioned obstacles, a shortfall in qualifications, skills or experience is cited by 10 per cent of men and 14 per cent of women. The specific additional qualifications sought by men or women are listed in Table 3.11. Rather depressingly, ill health, injury or disability is again cited most frequently (in 70 per cent of cases) as an obstacle to obtaining these qualifications. Lack of confidence is also cited by one-in-six of those who see obstacles to gaining qualifications, and a quarter of women cite childcare arrangement or responsibilities.

On the issue of childcare arrangements, mentioned by one-in-eight potential women jobseekers as an obstacle to employment, for two-thirds this is simply a reluctance to leave their children. The high cost of childcare is also mentioned by half, and the absence of suitable childcare facilities by nearly a third.

**Table 3.11 : Additional qualifications sought**

Men	Women
Joinery/woodwork	Childminding
Counselling	IT skills
IT basic skills	Interior design
Youth work qualifications	Reception/admin/clerical
Cooking/catering	Driving instructor course
Landscape gardening	Film camera operator
Welding	Aromatherapy
NWQ3 in engineering	Social sciences degree
Bricklaying	Food preparation/hygiene
Team working	Counselling
Web design	Literacy skills
	Maths
	Animal care
	Social work

Source : Sheffield Hallam survey data

**Table 3.12 : What do you think potential employers would think about you?**

	Men (%)	Women (%)
A pretty good bet/worth a try	8	12
Too ill or disabled	44	47
Too old	8	4
Too little experience	4	7
Too poorly qualified	4	8
Too highly qualified/skilled/experienced	1	2
Too big a risk	4	8
Don't know	38	32

NB. Columns do not add to 100 because people could give more than one answer

Source : Sheffield Hallam survey data

Table 3.12 presents the responses to the question ‘What do you think potential employers would think about you?’ Only a small proportion are confident that an employer would think them a pretty good bet or worth a try. Far more – nearly half – think they would be viewed as too ill or disabled.

On a more positive note, one-in-six of the men and women who express interest in working say they have thought of becoming self-employed. The comparable figure for all Barrow’s IB claimants is just 5 per cent. Asked what help they would require to start working for themselves, the varied responses come down to in essence to just two: business start-up advice (mentioned most frequently) and financial help.

### **Building on temporary or casual work**

8 per cent of Barrow’s IB claimants say they do some temporary or casual work, on a paid or (more often) unpaid or voluntary basis. More specifically, around 14 per cent of those who express interest in returning to employment undertake temporary or casual work.

Four out of five of those who undertake temporary or casual work do so in jobs that differ from their ‘usual occupation’. Table 3.13 lists the temporary or casual jobs reported by these men and women. Nearly a third say they have considered building on this experience. The help they say they would require to do so generally concerns training or formal qualifications in the new field in which they have engaged – for example care work qualifications, or a course in counselling.

### **The target group: what’s likely to work?**

Seven lessons emerge from this assessment of the incapacity claimants who show an interest in returning to work:

- The target group is small in relation to the overall stock of Barrow’s IB claimants. Although the research team can supply some names and addresses, in practice the marketing of Routes to Work measures may need to be scattered widely among the IB stock in which case the expectation should be that only modest numbers might respond.

**Table 3.13 : Temporary or casual work\***

Men	Women
Gardening	Charity shop
Museum work	Farm work
Bar work	Teaching assistant
Property rental	Hospital shop
Stable hand	Café work
Samaritans	Charity work
Citizens Advice	Drug worker
Homeworking	First aider
Charity shop	Samaritans
Teaching assistant	Fundraiser
Charity work	Riding instructor
Working with disabled	Hairdressing
Football coaching	Play group assistant
Caretaking	Adult carer
Meals on wheels	Lunchtime supervisor
Victim support	Gym work for disabled
National Trust	Receptionist
Drug worker	Church work
Driver for elderly	Mediator/mentor
Musician	Childcare
Library deliveries	
Computing	
Painting and decorating	
Business advice	

\*excluding 'usual occupation'

Source : Sheffield Hallam survey data

- Among the men and women who have been on incapacity benefits for more than six months, by far the most receptive to back-to-work initiatives are likely to be the most recent claimants. Even so, there are also quite a number of longer-term claimants who have not discarded hopes of returning to work.
- Among the IB claimants who might return to work, health problems and disabilities remain a core obstacle. These problems need to be addressed directly through the provision of, or routing to, appropriate rehabilitation services.
- Opportunities for part-time working need serious emphasis. Many women in particular, but also many men, are receptive to the idea of part-time work



especially if it provides an easier transition back into employment and one that can be reconciled with their on-going health worries.

- Guidance needs to be available on the financial pros and cons of returning to work. This needs to take account of the full range of in-work tax credits and the impact on all the benefits claimed by the individual's household. The information also needs to be worked out in detail for each individual.
- Back-to-work services need to respond to the specific aspirations of individual men and women. Many have clear preferences. Generic courses for IB claimants are probably less appropriate than routing individuals to training or job opportunities that match what they want.
- The potential for building on temporary and casual work, often of a voluntary nature, needs to be fully explored.

**Helen, age 42**

*Helen lost her job working as a cleaner in a large supermarket when they changed contractors. She subsequently went onto New Deal and began working in a kitchen preparing food for delivery to elderly people's homes. She found her employer's demands becoming increasingly unreasonable and found she was "working all the hours God sends" and doing many other tasks in addition to working in the kitchen.*

*She began to develop aches and pains and suffered from bouts of extreme tiredness. She was diagnosed with ME. Her doctor gave her a sick note and in 2002 she began claiming Incapacity Benefit.*

*Helen would like to move off IB but does not want to be "forced off" before she feels her health improves sufficiently. She cites several barriers to her moving off IB in addition to her health, including her lack of qualifications and the financial implications of moving from IB to Jobseeker's Allowance if she could not find work immediately. She is also concerned about the reference she might receive from her previous employer if she were to apply for another job.*

**Gary, age 49**

*Gary was working as a delivery driver when he injured himself whilst lifting some boxes. He went to his GP about the pain he was in and was told he had had a mild heart attack. He subsequently underwent heart surgery.*

*Gary started claiming Incapacity Benefit in 1999 and he also receives Disability Living Allowance.*

*Gary continues to have problems and is waiting to hear the results of his latest test. He hates claiming Incapacity Benefit and not working makes him feel "no good to anybody". He thinks that if his health were to improve sufficiently he would have little difficulty in finding employment.*

## 4. FURTHER ANALYSES

### **The absorption capability of the Barrow economy**

Routes to Work, like many similar schemes, is a 'supply side' initiative – it is about encouraging and equipping the individual to re-engage with the labour market. The implicit assumption is that if an individual on benefit looks for work they should be able to find work, and if they do so they will not simply displace another jobseeker. In other words, moving one claimant off benefit won't simply result in another person moving on. This is a simplistic view that ignores the demand for labour.

The present research team has been at the forefront in arguing that the big increases since the early 1980s in the numbers claiming incapacity benefits in places such as Barrow is primarily the result of a deficient demand for labour<sup>5</sup>. Thus in Barrow the ultimate cause of the high IB numbers is the loss of employment in the 1980s and 90s, notably from the shipyard. This view is actually widely accepted by academics who study Britain's urban and regional problems though it remains controversial in parts of government. In this view, the numbers out of the labour market on benefits, including IB, are unlikely to be brought down very much unless there are jobs available for them. This inevitably raises questions about the absorption capability of the Barrow economy.

The first point to note in this context is that Barrow in Furness is an unusually self-contained labour market. This is illustrated by Table 4.1, which shows the workplace location of the Barrow residents who have jobs (either as employees or self-employed). The figures, from the 2001 Census, show that over 80 per cent of men and women both live and work in the borough. The only out-commuting flow of any real significance is to the neighbouring district of South Lakeland. The survey data presented earlier (in Table 3.7) also showed that well over 80 per cent of the IB

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<sup>5</sup> See in particular C Beatty and S Fothergill (2005) 'The diversion from 'unemployment' to 'sickness' across British regions and districts', *Regional Studies*, vol 39, pp 837-854.

**Table 4.1 : Workplace location of Barrow residents in employment, 2001**

	<b>Men (%)</b>	<b>Women (%)</b>	<b>Total (%)</b>
Barrow in Furness	82	88	84
South Lakeland	10	8	9
Copeland	4	1	2
All other locations	4	3	4
	100	100	100

Source : Census of Population

claimants who would like a job are only willing to work in the Barrow area. The point here is that the ability of the labour market to absorb Barrow's IB claimants depends almost entirely on the Barrow economy itself.

In recent years the UK has experienced a sustained period of economic growth and job creation. Barrow has not bucked the national trend. Table 4.2 shows the increase in the number of jobs in the borough between 1998 and 2005. Overall employment is up by 2,400, though the biggest increase has been in part-time employment, especially among women. To put the increase into context, if this local employment growth were to be repeated over the next seven years (not entirely impossible) and if all the additional jobs were to be filled by local men and women

**Table 4.2 : Job growth in Barrow 1998-2005**

	<b>Men</b>	<b>Women</b>	<b>Total</b>
Full-time	400	500	900
Part-time	400	1,100	1,500
Total	800	1,600	2,400

NB Figures exclude self-employed

Source : Annual Business Inquiry

who would otherwise have claimed incapacity benefits (an extremely tall order) the incapacity numbers in Barrow would fall by 42 per cent. That would still leave Barrow with an incapacity claimant rate of 8 per cent – still higher than the current national average, and about three times higher than the rate currently found in the most prosperous parts of southern England.

**Table 4.3 : Claimant unemployment in Barrow 1997-2007**

	Men	Women	Total
March 1997	2,242	500	2,742
March 2007	946	258	1,204
Change 1997-2007	-1,296	-242	-1,538

Source : ONS

The main impact of recent employment growth in Barrow has in fact been to reduce claimant unemployment – ie the number of people out of work and claiming unemployment benefits, principally Jobseeker's Allowance. Table 4.3 shows that between 1997 and 2007 claimant unemployment in Barrow fell by more than 1,500. This represents a reduction of more than 50 per cent, mostly among men. The pace of the reduction has been slowing however. This is illustrated in Table 4.4. Between March 2003 and March 2007, the claimant unemployment rate among men in Barrow fell by just 0.5 percentage points, and among women it remained unchanged.

As the number of jobs in Barrow increased it was inevitable that claimant unemployment would fall first because JSA claimants are required to look for work. In contrast, the vast majority of IB claimants are not active jobseekers. However, as claimant unemployment approaches historically low levels there are fewer JSA claimants available to fill new job opportunities and many of those that remain on JSA are likely to face obstacles to employment such as low skills. As claimant unemployment falls the potential for placing IB claimants in work grows, and this may help explain the acceleration in the reduction in IB numbers in Barrow since 2004, evident in Table 1.2 earlier. For the first time in a generation, perhaps, there is therefore a real prospect of reducing IB numbers – provided of course that the growth in the national and local economy is sustained.

**Table 4.4 : Claimant unemployment rates in Barrow**

	<b>as % of working age</b>	
	<b>Men</b>	<b>Women</b>
1997	9.8	2.4
1998	8.5	1.9
1999	7.7	2.0
2000	6.6	1.6
2001	5.6	1.4
2002	5.1	1.4
2003	4.8	1.3
2004	4.6	1.2
2005	4.7	1.3
2006	4.8	1.4
2007	4.3	1.3

Figures are for March each year

Source : ONS

A further factor should help the Routes to Work initiative hit its targets for helping individuals into work or training. Even at times when the headline total of IB claimants is static, there is turnover within the stock. Nationally, the annual flows on and off incapacity benefits are equivalent to around a quarter of the stock. In the regions where the IB claimant rate is highest (such as the North West) the turnover is slightly higher, nearer 30 per cent. A lot of the turnover is among short-term claimants, for example men and women moving onto incapacity benefits after a short-term illness or injury and then moving back again into work. However, even if only 10-15 per cent of the stock of post-6 months IB claimants were moving off incapacity benefits each year, in Barrow that would equate to 500-750 claimants a year, though not all of these would move into jobs. In practice, Routes to Work may hit its targets by latching on to these men and women who would anyway have moved off incapacity benefits, though that would not necessarily mean that the help provided by the programme was wasted if the move was speeded up or if intervention allowed claimants to find better jobs or ones more closely suited to their needs.

The key problem in Barrow (and probably elsewhere) is the quality of the available jobs and in particular the level of wages. As noted earlier, many IB claimants say they need to earn £250 or £300 a week or more, *after tax*, to make it worth their while coming off benefit. No doubt this reflects the full range of benefits they would stand to lose, the costs of getting to work and recompense for the additional effort in taking

on a job. Unfortunately, it is questionable just how many of the jobs they might secure in Barrow would pay this level of wages.

**Table 4.5 : Hourly rates of pay in Barrow in 2006 : lowest 20% of residents**

	<b>£ per hour</b>	<b>GB = 100</b>
Men	6.67	92
Women	5.39	89
Full-time workers	6.42	86
Part-time workers	5.05	92

Source : Authors' estimates based on Annual Survey of Hours and Earnings

Table 4.5 shows the hourly rates of pay in the jobs held by the lowest paid 20 per cent of Barrow residents. The figures here are derived from the government's Annual Survey of Hours and Earnings but have been adjusted to take account of erratic fluctuations from year to year in the local figures due to the small annual sample size. Most IB claimants are likely to compete in this low-paid segment of the labour market, not least because very many have no formal qualifications and their long periods out of the labour market are likely to disadvantage them. The table shows the typically low wages paid at this end of the labour market in Barrow. Usually these would equate to take-home pay of below £250 a week for a full working week.

The discrepancy between local wage levels and the aspirations of many IB claimants underlines the importance of encouraging Routes to Work clients to volunteer for the DWP's Pathways to Work programme. Within Pathways, there is provision for IB claimants who take up employment and earn less than £15,000 a year to receive a £40 back-to-work top-up for the first twelve months. Without this top-up it is hard to see that many potential jobseekers will find it financially worthwhile to return to work.

## **The views of employers**

Employers' attitudes are likely to be an important element in determining the effectiveness of back-to-work programmes. In the context of Routes to Work this is particularly relevant because the scheme is able in some case to offer a substantial wage subsidy for the first six months in order to encourage employers to take on former IB claimants.

As part of the present study, the research team conducted a series of face-to-face consultations with senior management representatives from seven of Barrow's leading employers, spread across a range of sectors. The employers were Furness Business Society, Centrica, McBrides, Kimberley-Clark, BT, Liberata and Furness Newspapers. In addition, the research team had access to the results of an employer telephone survey on skills and recruitment needs, conducted for Furness Enterprise by the Hill Taylor Partnership during December 2006 and January 2007.

Most of the employers contacted by the Sheffield Hallam team and the telephone survey had stable or declining staff numbers, with the notable exception of those in customer services, including the call centre business. Staff turnover was mostly reported to be low or very low, the exception again being the customer services sector.

While some employers have concerns over the older age profile of their staff, and hence the need to be taking steps now to have suitably trained replacements when they reached retirement age, others face issues around the lack of promotion opportunities caused by a stable workforce. Short-term staffing difficulties were also reported, both for one-off sub-contracted tasks and for maternity/sick leave cover. Manufacturing plants that were part of larger multi-national firms are under pressure to keep raising skill levels, as a means of increasing productivity and efficiency and hence remaining competitive within the company.

Recruitment difficulties mostly concern particular occupations or skill types. Major areas of concern involve engineering and electrical skills in manufacturing, and sales, marketing and interpersonal skills in the customer, business and financial services sector. Part of the problem here is the competition for people with skilled trades between major local employers. It was also reported that the location of Barrow often



makes it difficult to recruit high calibre management staff. The general view is that there is now little demand for full-time unskilled manual labour.

On the specific issue of the recruitment of incapacity claimants, virtually all employers stress the crucial importance of people's aptitude and attitude for the job on offer. None said that a fragmented employment history or a record of previous ill health would deter them from employing somebody. Key words used in this regard were 'potential to develop', 'reliability', 'enthusiasm' and 'commitment'. However, several wonder whether IB claimants would have the relevant skill levels on which to build, since the in-house training provided to new recruits generally assumes a certain level of competence and familiarity with machinery and operational systems at the outset. The feeling of several respondents was that those who had been out of the labour market for some time would either have an outdated skills base or lack qualifications altogether.

Others are more open to giving IB claimants a chance, either through their standard recruitment processes or via the bespoke training being provided for residents of certain parts of Barrow via the Deprived Areas Fund. However, they also maintain the line that only those who passed these tests would have a chance of being taken on, irrespective of their past employment record.

On the whole, the employers that were contacted thought that a wage subsidy would make no difference to their decision whether or not to employ somebody. In only two cases was interest expressed in its possible use, although neither saw it as relevant for permanent staff. One thought that it could be used to cover the high-risk initial training period for potential recruits, the other as a means of offering short-term work placements. Smaller employers in other sectors may take a different view of the wage subsidy.

While most employers are generally comfortable with the idea of in-work support for recruits coming off IB, they identify a need for agreed mechanisms and procedures about how it is to operate. Others are more sceptical, preferring to make use of their existing staff induction, mentoring and appraisal systems. One respondent suggested that the key is pre-preparation and development of job applicants, rather than trying to resolve problems afterwards.

## Lessons from elsewhere

Trying to re-engage longer-term incapacity claimants with the labour market is a surprisingly novel activity. Routes to Work is however being introduced in Barrow during a period of major policy innovation in the handling of incapacity claimants.

By far the most significant innovation is the introduction by DWP of the Pathways to Work initiative, run by Jobcentre Plus. Labour market intermediaries in Barrow will already be well aware of this national programme, which was introduced locally in October 2005. The important point about Pathways to Work is that it is widely regarded as a great success. The statistical evidence, for example, shows that in the pilot areas the share of new IB claimants leaving benefit within the first six months is up by eight percentage points, compared to non-pilot areas, from around 30 to 38 per cent<sup>6</sup>. Pathways provides work-focussed interviews, routing to training, return to work credits and access to an innovative Condition Management Programme. The point here is that the Routes to Work initiative probably has much to learn from Pathways and no doubt a dialogue with the local Jobcentre Plus staff is already in place.

The limitation of Pathways is that it is compulsory only for new claimants (with some limited exceptions). Existing claimants can opt-in, but on a purely voluntary basis. By and large, therefore, Pathways does not tackle the same client group as Routes to Work, even if it can offer important pointers.

In a number of parts of the country, however, Pathways is being extended experimentally to include claimants who have been on incapacity benefits for longer periods. Various groups – all claimants of less than two years' standing in some areas, post-1999 claimants in others – are in these areas being called in for interview. The research team have spoken to Jobcentre Plus staff in four of the areas where Pathways has been extended in this way – Lancashire, South Tyneside, Essex and Somerset.

In all four of these areas the Pathways interventions being offered to longer-term claimants are the same as for new claimants, though the number of interviews is generally reduced from six to three. In this respect there therefore seems to be

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<sup>6</sup> Department for Work and Pensions (2006) *A New Deal for Welfare: empowering people to work*, DWP, London.

nothing radically new on offer from which the Routes to Work initiative might learn. The general observation from these areas is that 'stock' IB claimants are a far more difficult group to tackle and it is very hard indeed to make real progress with all but a very small minority. The problem, as Jobcentre Plus staff see it, is that attitudes and lifestyles have often become entrenched. In addition, a common view is that after six months or more on incapacity benefits, mental health problems become an issue for many claimants, even if they were not the reason for their claim in the first place, and can then take over as the main factor preventing people returning to work or even beginning the process.

In short, the lesson from elsewhere in trying to move longer-term incapacity claimants into work is that if there is a magic formula that works and can be transferred across into Barrow, it hasn't yet been discovered. The research team has not however been able to monitor progress in the other Northern Way IB pilots, which may begin to offer some useful lessons as they get into their stride.

**One Barrow GP's view.....**

*"You've got a group of people who would be helped by being employed, whose self-esteem, psychological status would be better if they had employment. The push that there's been to try and help people find appropriate employment I think has been really helpful for some people. On the other hand you've got people who are clearly never going to manage to work and feel like they're being harassed to go back to work".*

*"In Barrow there's not a lot of options really, and you know if you've got the 55 year old who's worked in heavy industry all his life, you're not going to be able to suddenly train him to sit behind a desk and look at a computer, unless he's very highly motivated to do that".*

*"You've got to get real about some people haven't you? Some people just aren't going to get back to work but there is, I'm sure, a reservoir of people who with appropriate guidance and support, and the right job, would be able to get back to work and it would do them a lot of good to do that probably".*

*"A lot is to do with the person's psychological approach isn't it? You get 15 points on Incapacity Benefit if you're in a wheelchair. Well, I have friends who are in a wheelchair and have full-time jobs and travel all over the country..... Incapacity Benefit is a very arbitrary test. I know it's difficult to find one that's fair and all the rest but scoring 15 points is almost meaningless in terms of whether you can work or not, so a lot of it's to do with how much you want to work and what's available isn't it".*

*"The other big problem people have is if their disease is unpredictable or intermittent. Then they can't find employment. No one wants to employ somebody who one day might be able to come to work and the next day they won't be able to, and so these people, a lot of these people, would love to be able to work but they can't ring in sick two days a week".*

*"Some people feel very threatened, you know. Somebody who's been off on the sick for a long time with a chronic illness and suddenly they've got to go and talk about going back to work. I mean, it's very threatening and destabilising".*

**Another Barrow GP's view.....**

*"There are two groups of people: those who know nothing about it because they haven't encountered it before – and they're both men and women – and those that know everything about it and need the certification process in order to be able to put a roof over their heads and feed their children. And it applies equally to both genders".*

*"For people who find themselves 'diverted' – because they're the most interesting ones – the likely sequence of events is that they come to see us and say they've been down the Jobcentre who have told them to come and get a sick note. So in the process of being interviewed Jobcentre Plus will, in the process of understanding what's going on, will usually uncover an illness which is certifiable. That represents a diversion from unemployment onto sickness or incapacity benefit and that's the real issue in this town".*

*"If you've got a bunch of people who are being certified for depression, diabetes, hypertension, heart disease and back pain – and psychological illness and back pain are probably the dominant ones – you know, what kind of work can you find these people?"*

*"[Pathways to Work] doesn't deal with any of the demand-side issues nor the fact that these people have actually got quite a lot of difficult illness set in a lot of difficult psycho-social context".*

*"I've always believed them when they've said 'I can't do my job'. If somebody says to me 'this is stopping me from doing my job', well, short of going out there and spending at least a month in the workplace observing them you know I'm not the judge of it. They're the judge of it. The patient's the judge of it".*

*"If our starting point with our patients is that they're lying to us then we have a dysfunctional relationship already and that isn't really the sort of relationship you want to be starting off with if your starting point is illness".*

## 5. CONCLUSIONS AND IMPLICATIONS

The survey findings show that Barrow's stock of incapacity claimants will not be easy to move back into employment or training. The majority are now very detached from the labour market. Ill health and disability is virtually the norm within this group, more than half have no formal qualifications, substantially fewer than one-in-ten are looking for work, and only around a third retain any interest in working again, now or in the future.

Furthermore, in Barrow the composition of the IB claimant group – or at least the male claimants for whom data is available – has become distinctly more problematic since the late 1990s. The group is, on average, now less well-qualified and markedly less motivated to return to work than was the case just seven or eight years ago.

These observations do not run contrary to the widely held view that there is substantial 'hidden unemployment' among IB claimants in a town such as Barrow where, taking a long view, there has been a major reduction in job opportunities. In a genuinely fully employed economy, many of Barrow's 5,600 incapacity claimants would have been in work. The prosperous parts of southern England demonstrate very clearly that where the local economy is sufficiently strong for long periods, incapacity claimant rates far below those in Barrow can be attained. Even allowing for underlying poor health in Barrow, a claimant rate of half or even one-third of the one currently prevailing in the borough – 13.6 per cent of the working age population – should be possible in the right conditions.

What appears to have happened in Barrow is that whereas in the late 1990s the IB numbers were dominated by a cohort of essentially well motivated and trained men made redundant from the town's shipyard, by 2007 the composition of the group has changed. In a difficult local labour market, normal competitive pressures are now increasingly marginalizing the men and women who are least able or willing to retain a foothold in employment – the poorly qualified, those with poor health or disabilities

and, to some extent, the least motivated. Many of these men and women are then gravitating to incapacity benefits as the best way to get by.

On a positive note, the recent growth in employment in Barrow and the relatively low level of claimant unemployment indicate that for the first time in perhaps two decades there is now a real prospect of bringing IB numbers down in the borough. Indeed, the numbers have fallen encouragingly since 2004. Part of any reduction can be expected to occur via a smaller on-flow onto incapacity benefits, but there is every reason to hope that if some of the existing stock of claimants can be re-motivated or retrained within the framework of the Routes to Work initiative, they should be able to find work.

There is however no 'magic formula' as to how this might be achieved. There does not as yet seem to be a proven model of intervention that can simply be transferred into Barrow. The research nevertheless offers at least six practical pointers:

- *The target group for Routes to Work is relatively small.* Only about 1,500 of Barrow's IB claimants express an interest in working, now or further into the future. They tend to be a slightly younger group than the stock of claimants as a whole, and have not been out of work for so long.
- *Routes to Work needs to respond to individual needs and aspirations.* Many of those who might be drawn back into work have fairly clear ideas about what might suit them and about the obstacles that they face. A 'one size fits all' approach is inappropriate.
- *Part-time working may often offer a way forward.* Many men and women are open-minded about the possibility of part-time work, and some see it as their first preference. Part-time working can be an important way of re-building confidence and enabling former claimants to test ways of coping with their health problems and disabilities.
- *Successful interventions will often require a 'health' dimension.* The health problems facing many of Barrow's incapacity claimants do not necessarily prevent them from undertaking any work at all, but some degree of health

limitation is nearly universal. As well as training and re-motivation, many will require access to appropriate rehabilitation services.

- *Most Routes to Work clients should also be encouraged to register for Pathways to Work.* This will facilitate access to rehabilitation services, but more particularly will allow claimants re-entering employment to access a £40 a week top-up if they take up low-paid employment. Given the low level of wages at the bottom end of the Barrow labour market, this top-up may be necessary to make it financially worthwhile coming off benefit.
- *The demand for a wage subsidy to employers does not seem widespread.* This certainly seems to be the case among Barrow's larger employers, who see no inherent obstacle to taking on former IB claimants but would need to be satisfied that they met normal recruitment criteria. The wage subsidy that is an important part of the Routes to Work package should be made available sparingly, to avoid giving it where it is not really needed.





*Barrow's incapacity claimants : A study commissioned by Furness Enterprise to support the Routes to Work initiative*

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